

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

No. 940

Washington, D. C.

June 26, 1943

DEBATE ON SUBSIDIES

Congress Considering Limitations in Commodity Credit Bills and Central Food Control

Whether subsidies are to be used in an effort to "hold-the-line" on food prices, and whether food control is to be centralized in a single government agency, were still under consideration by Congress as the week ended.

Both the Senate and House had under consideration bills to extend the life of the Commodity Credit Corporation and debate on these bills concerned chiefly the question of its use of funds for paying subsidies. Among the proposals advanced were flat prohibition of subsidy payments; authorization of use of funds for subsidies on only specified products; authorization of the use of specified amounts for subsidy programs already under way but prohibiting extension of the subsidy programs.

Meantime, the House Committee on Agriculture formulated and reported to the House a bill centralizing control of food production and distribution in the War Food Administration. This bill (H. R. 2837), reported favorably by an 18 to 8 vote, would give the War Food Administrator "exclusively and finally . . . all powers, functions and duties

CCC Acceptance Extended

In view of the time involved in handling the many questions concerning the recent Commodity Credit Corporation offer to purchase and resell tomatoes, corn, snap beans, and peas for canning, freezing, and brining, the time for acceptance of the offer by canners has been extended to July 15, 1943, it is announced by the War Food Administration.

conferred or imposed upon any officer or agency of the United States by any law, order, regulation, or directive with respect to the Nation's food program . . . including the production, processing, distribution, rationing, procurement, requisitioning, allocation of, priorities, storage, exportation and importation of, provisions of labor and facilities for, and the establishment, maintenance, and adjustment of prices for food and food facilities."

As reported in the bulletin accompanying last week's INFORMATION LETTER, dissatisfaction of the House of Representatives with the policies and methods of the Office of Price Administration

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SOLDIERS TO ASSIST PROCESSORS WITH 1943 PACKS

Camp Commanders Authorized to Issue Passes Permitting Troops to Work

Soldiers will be available to help canners with their packs this season, under terms of arrangements just completed between the War Department and the War Manpower Commission. Formerly, Army regulations had granted permission for soldiers to be used in harvesting of crops only, but the instructions now have been revised so as to include help in the processing plants themselves. This is to cover not only canning but freezing, dehydrating, and packing of fresh commodities for the open market.

Where an emergency exists, commanding officers of nearby military posts and camps are authorized by the War Department to permit soldiers to use their leaves for employment in processing plants and the War Man-

power Commission's Bureau of Placement has issued a memorandum to Regional Manpower Directors furnishing details of the plan. Soldiers may participate in this work during their normal off-duty periods if they so desire, and the commanding officers are authorized also to issue special passes for this purpose.

Conditions governing such authorization call for the existence of an emergency shortage of available labor, the desire of the soldier to engage in such work, and the non-interference of such action with the existing labor market. The matter of pay is to be determined between the individual soldier and his processor employer.

Canners seeking the short-term help available under this plan should first apply to their local U. S. Employment

(Concluded on page 7734)

LABOR RECRUITMENT PLANS

Review of Efforts Made by Individual Canners to Obtain Manpower For 1943 Operations

As canners enter the active packing season they are finding that their ability to obtain the necessary amount of field and factory labor depends in very great part upon the preliminary work they have done to organize recruitment. Organization of recruitment plans does not in itself guarantee that labor will be available, but it does insure that no means or methods of obtaining labor has been neglected or overlooked.

It has frequently been pointed out that the recruitment of cannery labor is largely a local or community problem. Even where outside labor is obtained, the procedure of getting it originates in the local community. From the national standpoint the chief problem is the removal of impediments that may be in the way of using such labor as can be successfully recruited.

The most promising situations are those in which the canner has tapped every source of local help—schools, churches, clubs, etc.—and has strengthened his own efforts by enlisting the support of officialdom—town mayors, community leaders, county agents, regional manpower directors, etc. Those canners whose recruitment programs are not yet complete might derive some benefit from the following notes on programs that have been reported to the Association:

In one case the canner printed a number of leaflets telling about the labor shortage he faced, and stressing the importance of food in the war effort. These leaflets contained application blanks for volunteers to fill out and present at the cannery office.

Another plan was the organization by the canner of a huge mass meeting which was turned into a mobilization. A speaker just back from the war stressed the importance of food in England's war program, and local orators urged volunteers to sign up for work in both field and plant.

Establishment of labor camps was part of another canner's recruitment effort among his neighborhood young people's organizations such as Boy Scouts, Girl Scouts, Camp Fire Girls, YMCA, and church and Sunday school groups. In another case the program

was a planned campaign of advertisements furnished by the Association's Manpower Division, a series of meetings in the neighboring countryside, and enrollment of volunteer labor at these meetings. Appeals have been made to the membership of local women's clubs and to the American Legion auxiliary.

These local manpower appeals have been made stronger when the canner tells his story to his local newspaper editor, banker, secretaries of business clubs, farm clubs and ministerial associations. In many cases these interests have relayed the appeal throughout the community, or even assumed leadership in the campaign.

Enrollment of high school students has been obtained through the cooperation of teachers and school boards, with the canner supplying application blanks and literature for the school authorities to use in creating interest among the students.

One canner sent a return postcard to all his last year's employees except those who had gone into the armed services, urging them to return for employment this season. He acted on the premise that even some of those who had left to go into higher-paying defense industries might be dissatisfied or homesick.

Servicemen on leave and college students on vacation are other manpower potentials.

SOLDIERS TO ASSIST FOOD PROCESSORS WITH 1943 PACKS

(Concluded from page 7733)

Service office, because commanding officers must be assured by USES that the employment of soldiers will not displace civilian workers. Following is text of the memorandum outlining the plan:

1. Commanding officers of all posts, camps, stations, divisions, and lower separate units are authorized under the conditions set forth in paragraph 2 to—

a. Permit soldiers to engage in farm work and food processing, including only canning, freezing, dehydrating, and packing of fresh commodities for the open market, in nearby communities during normal off-duty periods.

b. Grant passes to soldiers in order to permit them to engage in farm work and food processing, including only canning, freezing, dehydrating, and packing of fresh commodities for the open market, in nearby communities.

2. Authorization granted in paragraph 1 is contingent upon the existence of the following conditions:

a. In the opinion of the commander concerned, an emergency exists in the nearby community due to shortage of available farm or food processing labor.

b. The soldier concerned desires permission or a pass in order to engage in farm or food processing work.

c. Such action will not interfere with the customary employment and regular engagement in farm and food processing work of local civilians.

d. Such action will not interfere seriously with training.

The performance of farm or food processing work by soldiers during off-duty periods or while on pass will not involve expense to the Government. The pay for services rendered by the individual and all other conditions of his employment will be left to the determination of the individual soldier and his farm or food processing employer so far as the Army is concerned.

There are two types of passes in the Army:

Individual passes which are restricted to not more than three days, and

Permanent passes, usually known as "Class A," issued to individual enlisted men which authorize them to leave a post and visit communities normally visited by members of the command during off-duty hours. These periods of absence are restricted to not to exceed 24 hours except over week-ends.

Passes should not be confused with furloughs, which are for longer periods.

Young Workers in Food Processing Plants To Have Legal Protection

State, Federal Laws Safeguard Health Of Persons Under Eighteen Years

Teen-age boys and girls who work in food processing plants this summer will do so under protection of State and Federal laws, the Office of War Information points out.

Both Federal and State laws, particularly those relating to the minimum age for employment, must be taken into consideration.

All establishments engaged in canning, quick freezing, dehydrating, drying and packing fruits, vegetables and seafoods are subject to the child-labor provisions of the Fair Labor Standards Act if they produce any goods for shipment in interstate commerce. Practically all such establishments do ship their products across State lines. Therefore, care should be taken that children recruited for work in these establishments are of the legal age for employment.

Under Federal law the minimum age for persons engaged in work in canning, dehydrating and freezing operations is 16 years.

Children of 14 and 15 may work in canning, dehydrating and freezing plants only if they do office work or are engaged in other employment that does

Boy Scout Assistance with Food Packs Greatly Expanded

The program of enrolling Boy Scouts for assistance with the canning crops and packs, which was begun last year, has been greatly expanded for this season. In several canning areas arrangements have been made with district and State Scout executives to have Scout troops ready for action when the harvesting and packing seasons begin, and in some instances they have already participated, particularly in the case of asparagus in the East. Enrollment of Scouts in many locations is reported at nearly 100 per cent.

Scouts are given merit badges for this special service and their assistance has proved most helpful in numerous situations, principally in the canning districts of Pennsylvania and New Jersey. Scouts also are eligible for membership in the U. S. Crop Corps and many troops have enrolled their complete membership.

Canners using this additional help are of course subject to the State and Federal wage and hour regulations which apply to this age group.

not involve manufacturing or processing.

They may have no duties in work rooms where foods are processed. They may work not more than 40 hours a week in a week during the school year.

Some occupations in connection with food processing are closed altogether to persons under 18. For example, no one under 18 may be employed as a motor vehicle driver or helper.

Any one in doubt about provisions in the Fair Labor Standards Act relating to employment of young people may obtain additional information by writing to the Children's Bureau, U. S. Department of Labor, Washington, D. C.

Persons recruiting boys and girls for food processing should be familiar also with the State laws applying to canning and packing establishments. These vary in many details. If the State law establishes a higher standard than the Federal law, the State law must be followed. If, as is the case in most States, the Federal standard is higher, it must prevail. All employers desiring information about a State child labor law as it affects food processing establishments should consult their State Department of Labor.

Most employers follow the safe and sane rule of asking for age certificates

HOUSE PLACES BAN ON SUBSIDIES

In concluding its consideration of a bill to extend the life of the Commodity Credit Corporation late Friday afternoon, the House adopted a farm bloc supported amendment prohibiting any government agency from making subsidy payments on agricultural commodities or products processed in whole or substantial part from agricultural commodities. In the amendment, which is quoted in full below, it will be noted that the commitments already made on canning crops for the current year are exempt from the ban on subsidies. This exemption for the current crop year was proposed by Representative Joseph P. O'Hara of Minnesota and was adopted by a vote of 125 to 95. However, there was no recorded vote on the adoption of the subsidy ban, which was offered by Representative Jesse P. Wolcott of Michigan, nor on final passage of the bill.

Senate action on its bill to extend the CCC for two years was continued into today, with a vote scheduled on an amendment being urged by Senator Bennett Champ Clark of Missouri that would repeal the authority to make subsidy payments contained in the Price Control Act. Other amendments in varying degrees affecting the administration's subsidy programs also are before the Senate. It appears likely that final Congressional action on the subsidy question will be taken through adoption of language to be worked out in a Conference Committee composing differences in the House and Senate bills.

The House amendment relating to subsidies is as follows:

Sec. 6. In order to prevent the funds of the Commodity Credit Corporation or any other Government agency from being used for the payment of subsidies, no subsidies or other payments, other than those which have accrued prior to the effective date hereof, including the commitments heretofore made for the production and processing of canned vegetables for the crop season for the year 1943, shall be made either directly or indirectly by the Government or any agency thereof, including any Government-owned or Government-controlled corporation, to a producer, processor, manufacturer, or to any other person engaged in the production, marketing, distribution, or handling of any agricultural commodity, including milk and livestock

and the products thereof, or commodities processed in whole or in substantial part from agricultural commodities either (1) for any reduction or roll-back of maximum prices or support prices that have been or may hereafter be ordered, or (2) as a substitute for or in lieu of increasing maximum prices or support prices already or hereafter established, or (3) to maintain any maximum price already or hereafter established, from any funds heretofore or hereafter appropriated to, borrowed under Congressional authorization by, or in custody or control of any governmental agency, including any Government-owned or Government-controlled corporation, unless the Congress shall have specifically authorized the use of such funds for such purpose; Provided, That nothing in the foregoing provisions shall be construed to prevent the selling of wheat for feeding purposes, if sold at not less than the parity price of corn nor to prevent such adjustments in the maximum or support prices on competitive domestic vegetable oils and fats and oil seed as may be necessary to bring about or to maintain adequate production for the war effort; nor shall any maximum price for any such commodity be established or maintained for any such agricultural commodity including milk and livestock and the products thereof, or commodities processed in whole or in substantial part from agricultural commodities, below a price which will reflect to the producers thereof, in the market place a price below the support price therefor nor a price below the higher of the maximum prices provided in Section 3 of Public Law Numbered 729, approved October 2, 1942.

The bill passed by the House also gives the War Food Administrator authority to increase price ceilings on agricultural commodities and products processed in whole or substantial part from agricultural commodities to the extent he deems necessary to secure adequate production for war purposes.

CONNALLY-SMITH BILL ENACTED OVER PRESIDENT'S VETO

Overriding the President's veto within two hours after it had been received, Congress on Friday afternoon enacted into law the Connally-Smith anti-strike bill. In the Senate the vote was 56 to 25 and in the House 244 to 108. Principal provisions of the new law are:

1. President authorized to seize and operate mines and plants in which supplies necessary to war program are produced.
2. In event of seizure, plants shall be operated under terms and conditions of employment in effect at time of seizure.
3. Majority of employees in plant may apply to War Labor Board for changes in wages or other conditions of employment.
4. Provides penalties for striking against Government or for instigating or aiding such strikes -- up to \$5,000 fine or imprisonment for one year.
5. Gives the War Labor Board power to subpoena and definite statutory power to intervene in disputes.
6. Provides 30-day cooling-off period and for secret strike ballot.
7. Prohibits political contributions by labor unions.

in hiring young people. To prevent illegal employment, these should be obtained from all workers under 18 years of age and should be kept on file by the employer.

Cannery Aid Appeal on Air

A question and answer radio program devoted to labor assistance for food processors is scheduled for June 28, at 9:15 p. m. Eastern War Time, over the Mutual Broadcasting system.

Fay W. Hunter, Chief of the Agricultural Division of the War Manpower Commission's Bureau of Placement, will be among the government officials who will explain the need for processing help, and it is planned to include on the program a canner and a cannery worker to explain the requirements for volunteer workers. Representing processors will be John Deerfield, of the Deerfield Packing Corporation. Also on the program will be two of the Deerfield cannery workers, and Don Downs, a chemical engineer, who is spending his vacation working in the factory.

WFA Sets Up Labor Office

The War Food Administration has announced the establishment of an Office of Labor, with Col. Philip G. Bruton, Corps of Engineers, on loan from the Army, as deputy administrator in charge. In last week's INFORMATION LETTER it was announced that Col. Bruton would succeed Lt. Col. Jay L. Taylor, recalled into Army service.

The office will have responsibility for carrying out all labor, manpower, and wage stabilization programs of WFA.

National War Labor Board Instructions to Regional Divisions on Cannery Wage Increases Exceeding Ten Cents an Hour

After last week's INFORMATION LETTER had gone to press, L. K. Garrison, Executive Director of the National War Labor Board, sent out the following telegram to the 12 WLB regional divisions. Copies were sent out by the Association to the industry on June 19.

"Retel June 14 following procedure has been adopted as result of conference with Judge Vinson and OPA for expediting Washington consideration on wage increases for cannery workers exceeding 10 cents an hour in price or subsidy relief cases. Necessary clearance will be obtained by Wage Stabilization Division in Washington with maximum speed possible. Such cases should be forwarded to this office immediately upon approval with full information on following points:

"1. Statement explaining emergency circumstances justifying immediate action.

Use of War Prisoners to Help In Canneries Under Discussion

Canners and other food processors will be permitted to use prisoners of war now held in this country to assist in the processing of 1943 packs, according to the Bureau of Placement of the War Manpower Commission, which is now engaged with the War Department in the preparation of details for such a program.

The subject has been under discussion between the two agencies of the Government for several days, and details will be announced as soon as the plan is fully prepared. Among the problems being considered is the use of war prisoners without incurring the risk of sabotage.

Canners interested in obtaining manpower help from these sources and whose operations are near military prison camps are advised to keep in contact with their Regional Manpower Directors for details of the plan.

Artichoke Hearts Exempt

Artichoke hearts in wine vinegar have been exempted from price control by the Office of Price Administration.

The action was taken through Amendment No. 15 to Revised Supplementary Regulation No. 1 to the General Maximum Price Regulation because the solution of mechanical pricing problems would involve time and effort out of all proportion to the importance of the commodity. The amendment becomes effective June 30.

RATIONING POSITIONS OPEN

U. S. Seeking Executives Experienced In Food Manufacture, Distribution

Persons who have had executive experience in the food industry are being sought by the Government for work in connection with the extension of the rationing program, it is announced by the Civil Service Commission. Those with manufacturing or distributing experience that involves analysis are particularly desired, it was stated.

Men are needed to make analyses with regard to distribution and production; to analyze the needs for and the supply of critical materials, consumer goods, and industrial commodities; to survey the availability of productive capacity, materials, or commodities, and the possibilities of substitution; to work out, after consulting with government agencies and business organizations, balances between requirements and supply.

The positions pay from \$2,433 to \$7,128; however, few appointments will be made to positions paying \$5,228 and over. There are no age limits for this examination and no written tests. Persons now using their highest skills in war work should not apply. Appointments in Federal positions are made in accordance with War Manpower Commission policies and employment stabilization plans.

Persons who have filed with the Commission's Washington office since October 1, 1942, applications for other positions, or supplementary statements in connection with some previous application need not file again. Such persons will be considered for these positions on the basis of their records now on file.

Interested applicants should file with the U. S. Civil Service Commission at Washington, Application Form 57, or Form 14 if they desire to claim preference because of military or naval service. These forms are available at the Commission's offices in Washington, at any of the Civil Service Regional offices, or at first- or second-class post offices in cities in which no regional offices are located.

Canners League Meets June 25

The annual meeting of the Canners League of California will be held at the Fairmount Hotel, San Francisco, on June 25. Because of difficulties in obtaining both space and labor, the usual sample cutting will not be held in connection with this meeting, but at a later date, it was announced.

"2. Complete case file.

"3. Full wage data, including farm wage rates and common labor brackets forming basis of decision.

"4. Present wage rates and approved rates for each occupation.

"5. Number or percentage of employees in each occupation peak payroll period 1942 season or estimate peak present season.

"6. Any information available on company's financial condition and ability to absorb cost of increase. These items are called for by OPA. Same procedure applies for case involving packers of fresh fruits and vegetables.

"As per previous wire employers may with your approval immediately effectuate increases up to 10 cents taking their chances on price or subsidy relief."

PEAS FOR PROCESSING

USDA Reports Cover Conditions as of June 15 and Probable Yields

A total of 421,700 tons of green peas for canning, freezing and other processing is in prospect for 1943 based on reports received by the U. S. Department of Agriculture from processors containing information on condition of the crop on June 15 and probable yield per acre. This compares with 424,010 tons for 1942.

The yield of 1,737 pounds indicated

on June 15 compares with 1,953 pounds for 1942. Yield prospects in Delaware, Maryland, Pennsylvania, and Virginia, where harvesting was approaching an end, were somewhat better than in 1942. In the other important States, the yields in prospect on June 15 were below those obtained in 1942.

The following table shows, by States, the 1943 planted pea acreage, compared with the 1942 harvested acreage, and the indicated production in 1943, in shelled tons, as compared with the 1942 production:

State	Acreage		Production	
	1942 harvested Acres	1943 planted Acres	1942 revised Tons	1943 indicated Tons
Maine.....	5,500	5,500	5,200	4,950
New York.....	46,000	25,800	47,840	14,190
Pennsylvania.....	15,800	17,900	11,250	17,900
Ohio.....	8,500	8,200	6,380	5,740
Indiana.....	15,100	15,700	11,470	9,810
Illinois.....	21,500	22,100	20,150	16,580
Michigan.....	13,300	14,400	11,960	9,000
Wisconsin.....	133,900	163,100	130,240	134,560
Minnesota.....	40,100	46,500	36,580	40,690
Iowa.....	3,900	4,400	3,370	3,520
Delaware.....	4,000	4,000	2,200	2,800
Maryland.....	16,000	16,600	9,120	14,520
Virginia.....	4,350	4,500	1,940	4,500
Colorado.....	5,250	6,100	4,540	4,730
Utah.....	15,500	16,400	21,200	20,500
Washington.....	43,300	45,500	40,020	50,050
Oregon.....	42,500	47,900	40,280	49,100
California.....	3,700	4,500	3,550	4,050
Other States.....	16,800	16,430	16,820	14,510
Total.....	475,000	485,530	424,010	421,700

SWEET CORN ACREAGE

USDA Preliminary Reports Indicate 7% Increase in Plantings

The 1943 preliminary estimate of acreage planted to sweet corn for canning, freezing and other processing is 550,950 acres, according to the U. S. Department of Agriculture. This exceeds the 1942 plantings of 517,020 acres by about 7 per cent.

A segregation of the 1943 acreage to show the estimated plantings of each of four types or varieties indicates 391,100 acres are planted to Bantam and other yellow varieties, 74,770 acres to Evergreen and Narrow Grain, 74,640 acres to Country Gentleman and 10,380 acres to other white varieties. In 1942, 338,240 acres were planted to Bantam and other yellow varieties, 72,200 acres to Evergreen and Narrow Grain, 75,800 acres to Country Gentleman and 30,000 acres to other white varieties.

The preliminary estimate of 1943 sweet corn acreage for freezing is given at 19,550 acres, which compares with 8,000 (revised estimate) in 1942, and plantings in prior years as follows:

1941—4,880 acres; 1940—3,500 acres; 1939—4,030 acres.

The following table shows, by States, the acreage planted in sweet corn in 1943, as compared with 1942:

State	1942 Acres	1943 pre- liminary Acres	As per cent of 1942
Maine.....	13,200	14,700	111
New Hampshire.....	530	500	94
Vermont.....	1,340	1,100	82
New York.....	25,500	27,500	108
Pennsylvania.....	15,000	17,400	116
Ohio.....	31,500	29,300	93
Indiana.....	56,200	57,300	102
Illinois.....	72,900	70,700	97
Michigan.....	4,900	5,400	110
Wisconsin.....	71,000	78,100	110
Minnesota.....	83,900	92,300	110
Iowa.....	56,500	62,200	110
Nebraska.....	3,900	4,200	108
Delaware.....	2,800	3,100	111
Maryland.....	48,400	52,300	108
Tennessee.....	3,400	2,600	76
Washington.....	9,400	12,000	128
Oregon.....	3,400	5,800	171
Other States.....	13,250	14,450	109
Total.....	517,020	550,950	106.6

SNAP BEAN PLANTINGS

Record High 1943 Acreage Estimated By Department of Agriculture

A record high planting of 164,100 acres of snap beans for processing is estimated for 1943 by the U. S. Department of Agriculture. This compares with 139,300 acres planted in 1942. Mississippi and Utah are the only important States where this year's acreage is less than the 1942 plantings, it was reported.

Indicated 1943 acreage of wax beans was reported at 17,853 acres, and of green beans, at 140,247 acres. This compares with 1942 plantings as follows: Wax beans, 16,328; green beans, 122,972.

The preliminary estimate of 1943 acreage of snap beans for freezing is given at 4,250 acres, which compares with 3,320 acres (revised estimate) in 1942, and plantings in prior years as follows: 1941—2,280; 1940—2,140; 1939—2,700.

The following table shows, by States, the acreage planted to snap beans in 1943, as compared with 1942:

State	1942 Acres	1943 pre- liminary Acres	As per cent of 1942
Maine.....	2,550	3,150	124
New York.....	12,600	13,500	107
Pennsylvania.....	4,700	5,200	111
Indiana.....	2,000	2,400	120
Michigan.....	7,100	7,900	111
Wisconsin.....	13,000	15,700	121
Delaware.....	1,900	2,100	111
Maryland.....	13,500	14,800	110
Virginia.....	4,100	4,200	102
North Carolina.....	1,200	1,200	100
South Carolina.....	2,600	4,100	158
Georgia.....	5,000	7,000	140
Florida.....	15,700	24,000	153
Tennessee.....	3,400	3,900	115
Mississippi.....	4,000	3,000	75
Arkansas.....	14,400	15,500	108
Louisiana.....	4,300	5,000	116
Oklahoma.....	5,300	6,000	113
Texas.....	6,000	7,500	125
Colorado.....	1,000	1,700	166
Utah.....	1,100	800	73
Washington.....	2,900	3,500	121
Oregon.....	4,100	4,400	107
California.....	960	1,000	104
Other States.....	5,290	5,950	112
Total.....	139,300	164,100	117.8

Special Motors Rule Eased

Purchasers of machinery into which is incorporated special electric motors or generators need no longer file certification setting forth use and purpose of motor or generator. This change is made in General Conservation Order L-221, as amended by the War Production Board.

Preferential List Increased

Trucks used in the production and distribution of canned meat, fish and poultry are now being accorded preferential treatment in the eastern gasoline shortage area, according to an announcement by the Office of Defense Transportation. Trucking of these new products has been added to the list of essential activities that was published in the INFORMATION LETTER for June 12.

TO INCREASE MARK-UPS

Administrator Brown Pledges Rise At Wholesale and Retail Levels

Following a meeting in Washington with representative food wholesalers and retailers, the Office of Price Administration on June 22 announced its decision to take certain of the moves requested by the trade and added that it was still studying other suggestions.

The announcement was made in a letter from Price Administrator Prentiss M. Brown to those wholesalers and retailers who attended the conference. Some of the steps outlined by Mr. Brown already are being put into effect. Others will follow as rapidly as possible, it was stated.

The action definitely pledged by Mr. Brown includes:

(1) The present mark-ups on rice, pickles and relishes and on all canned fruits and vegetables except peaches, pears, pineapple, fruit cocktail, corn, peas, green and wax beans, tomatoes and tomato juice, will be increased both at the wholesale and retail levels. These changes are the result of preliminary studies, and restore in part the mark-ups to those originally issued on May 10, 1943. When these mark-ups were reduced the action was termed at the time a temporary one to allow for further study. The higher mark-ups will mean increases in present prices of the few commodities affected but in general will still mean lower prices than were in existence on April 8, 1943, the date of the hold-the-line order.

(2) The delivery charge schedule for Class 3 and 4 stores delivering to their retail stores located further away than a normal delivery area, and for certain wholesalers who in the past have not operated on a zone price schedule, will be revised upward. This means that, where such extra delivery charges exist, the merchants involved will be able to compensate for them in figuring their maximum prices by applying a slightly higher mark-up to net cost. In most cases this will not involve any price changes but will only aid the gross margin return of such sellers.

(3) Individual adjustment provisions will be provided in both present and proposed mark-up regulations. These will provide, within the limits of gen-

eral criteria which will be set forth, for (a) the retailer-owned co-operative wholesale houses which historically have performed service and operated on margins comparable to another class of wholesaler; (b) relief under community-wide dollars-and-cents ceilings for Class 3 and 4 stores buying through wholesalers rather than direct from manufacturers and processors; (c) relief for individual wholesalers and retailers who have been accustomed to provide extraordinary services, and to operate at substantially higher margins than most sellers in their class.

(4) In connection with the community-wide dollars-and-cents program, no store will be required to post the prices of another class.

Wooden Container Amendment

Manufacturers are permitted to use one or more cleats on 11 sizes of wooden shipping containers for fresh fruits and vegetables under the terms of Limitation Order L-232, as amended by the War Production Board. Previously, the use of only one cleat was permitted.

The change is designed to prevent damage of fruits and vegetables while in transit.

The wooden shipping containers involved are three sizes of cherry, apricot, and prune lugs; four sizes of fruit boxes, and four sizes of four-basket crates.

Grower Prices on Sour Cherries Increased \$40 Per Ton by WFA

An increase of \$40 per ton in grower prices of sour cherries used for canning and freezing, over prevailing 1942 prices, was announced June 23 by the War Food Administration.

The amended Emergency Price Control Act of 1942 requires that maximum prices on processed agricultural commodities be established by the Office of Price Administration so as to reflect to the grower the higher of either the parity price or the highest price between January 1 and September 15, 1942. In this instance, parity price is higher.

This increase required by law will be reflected in the maximum prices to be established in the near future by OPA for processed sour cherries, it was stated.

To maintain customary differentials in payments to growers, the increase of \$40 per ton will apply to the generally prevailing 1942 price for each district, variety, size, and quality. It is not expected, however, WFA officials said, that the price received by every individual grower will be exactly \$40 over his 1942 price.

CANNED VEGETABLE PRICING

Method Is Provided for Adjustment to Ceilings at Time of Delivery

The Office of Price Administration, in Amendment 9 to Maximum Price Regulation No. 152, has provided a means for canners to sell canned vegetables subject to the price that may be in effect at the time the delivery is made. That is, if a canner chooses to sell a canned vegetable for which he has established a ceiling price under MPR 152, he may bill the shipment at that price and may also arrange with the buyer to adjust the invoice price to the official OPA price that may be in effect at the time delivery is made.

A canner may not, however, make delivery and adjust to a price established later by OPA, unless special permission has been granted by OPA under Section 1341.22(b). Such permission has been granted by OPA in Order 37 under MPR 152, for certain products only. This order, which became effective June 21, follows:

For the reasons set forth in an opinion issued simultaneously herewith, and in accordance with § 1341.22(b): It is ordered:

(a) Canners are authorized to sell and deliver the canned vegetables listed below under an agreement with the buyer in each case to adjust the selling price to conform with maximum prices to be established by the Office of Price Administration for the 1943 pack thereof respectively:

- (1) Asparagus
- (2) Black eye peas
- (3) Crowder peas
- (4) Okra
- (5) Okra with tomatoes, and
- (6) Vegetable greens, as follows:
 - (i) Turnip greens
 - (ii) Mustard greens
 - (iii) Dandelion greens
 - (iv) Poke greens
 - (v) Collard greens.

(b) This order may be revoked or amended by the Price Administrator at any time.

O'Keefe Resigns from ODT

William M. O'Keefe, of Washington, D. C., assistant chief of the Refrigerated Warehousing Section of the Office of Defense Transportation's Division of Storage, has resigned, effective July 10, to return to private industry.

Mr. O'Keefe will resume his position of executive secretary of the National Association of Refrigerated Warehouses, from which he has been on leave since November, 1941.

D. C. CORPORATION TAX

Income from Goods Shipped In Under Sight Draft Is Taxable

Requests for information concerning the present application of the District of Columbia corporation income tax law to sales of canned foods in the District of Columbia have been received by the Association, and a brief report of the present interpretation of the Act by District officials may be of interest to canners.

It will be recalled that on June 22, 1942, this law was amended to exempt from the District of Columbia income tax, all sales of canned foods if the orders therefor require confirmation at the canners' home office and if title to the goods passes to the buyer outside of the District. Both of these conditions must be present before the exemption may be claimed. (See INFORMATION LETTER No. 890, June 27, 1942.)

The Corporation Counsel of the District has construed the law very strictly, and has taken the position that income from any goods which are shipped under a sight draft with bill of lading attached, are subject to the District tax. His reasoning on this point is that the shipper technically retains title and control of the goods until there has been an affirmative act by the purchaser in the District of Columbia, and that formal legal title therefor passes in the District. Canners who ship canned foods into the District by this method will be required not only to pay the tax, but also to secure a license.

If a canner accepts all orders originating in the District of Columbia at his home office outside the District, and ships on open account, f. o. b. factory, he will comply with the requirements of the statute for exemption from the application of the tax.

Fertilizer Order Amended

The War Food Administration has amended the food production order which controls the use of chemical fertilizers to enable farmers to make best use of supplies of mixed fertilizers now available. The action was taken through Amendment 6 to Food Production Order No. 5 and is effective until June 30, the end of the current fertilizer production year.

The amendment removes the requirements that grades previously used be replaced by specified grades this season. At present there are stocks of mixed fertilizers on hand which do not fit in with the grade replacement plan. FPO-5 was amended to enable farmers to make use of such supplies.

The amendment also removes the historical use provisions of the order under which farmers were required to establish eligibility for fertilizers to be used on Group B crops. The order originally specified that a farmer must have a history of use of fertilizer on these crops to become eligible to obtain fertilizer for such crops in the 1942-43 season. Removal of the historical use provision makes it possible for farmers who have no base, to obtain fertilizer for use on Group B crops at the usual rate of application in the area.

Soup Labeling Order Revoked

The Office of Price Administration on June 21 revoked the compulsory labeling provision which required manufacturers of soup to inform the buying public that their product was brought out under a War Production Board conservation order.

This WPB order required the manufacture of a concentrated soup. The OPA compulsory labeling order was designed to let the purchaser know whether he was buying the old, regular-formula soup or the new concentrate. Since there is virtually none of the old regular-formula soup on the market now, there is no further need for the differentiation.

The revocation action was taken through Amendment No. 4 to Maximum Price Regulation No. 181. The amendment becomes effective June 26, 1943.

Misses Black and Smith Reach 6,000 in 63 Talks

Marjorie H. Black and Katherine R. Smith of the Association's Home Economics Division recently returned from speaking trips into six States, which extended from April 13 to June 9. Miss Smith worked in Ohio and New York, and Miss Black in Indiana, Illinois, Iowa and Michigan. Stressing the labor shortage in the industry, they made contacts in the canning areas to inform consumers of the need for help in harvesting and processing food, and to urge their assistance. In the six States covered, 37 cities were visited, and 63 talks made. Attendance at meetings totaled more than 6,000.

In addition to the 63 appearances, Miss Black and Miss Smith were guest speakers on 18 radio programs. The radio people demonstrated that they were willing and anxious to help in the problem facing the country and gave excellent cooperation.

WANTED AND FOR SALE

Machinery-Equipment

This column is open only to members of the Association who want to buy or sell canning machinery and equipment. Names of firms listing the items below will be furnished upon application to the Association. In requesting names, please identify items by number.

WANTED

96-W—Three stem wind or electric cooking clocks for timing retort cooking.

FOR SALE

245-S—Zastrow vertical high pressure retort, inside diameter 40 inches, height, 72 inches, complete with all instruments, eight baskets, overhead track and chain block.

246-S—Thirty-gallon stainless steel trunion kettle with double motion tilting agitator, new and unused.

247-S—R. H. spiral conveyor 12 feet long, with right angle bevel gear drive, new and unused.

248-S—Flash pasteurizer for juice, special build, 19 one-inch tubes, 3½ feet long, all stainless steel; complete unit on stand.

249-S—Hundred-gallon glass-lined tank, complete with side agitator, in perfect condition.

250-S—York No. 631120 homogenizer or viscolizer, 3 cylinders, 1-inch suction and discharge; complete on frame with 10 h.p. motor.

251-S—Paxton box nailing machine, originally made for orange packing boxes; complete, less motor.

252-S—Nine-spout Karl Klefer rotary filler.

253-S—Four copper kettles, from 100 to 400 gallons.

To Reduce Cork Stockpile

A long range cork program has been announced by the Cork, Asbestos & Fibrous Glass Division of the War Production Board, effect of which will be to reduce the government-owned stockpile.

Sales of government-owned cork will be made shortly to industry and over a period of the next year further sales

will be made, reducing the Government cork stockpile to approximately two-thirds of its present size. The balance, after such sales, will constitute a minimum reserve to be retained for the duration of the war or until all uncertainties regarding imports are removed.

WPB officials said that industry could expect to continue to operate on this basis as long as it carries at all times an amount of cork equal to the minimum which the Government carries.

Canned Milk Offers Sought

On June 24 the Federal Surplus Commodities Corporation began considering offers for evaporated milk at the applicable maximum price established by the Office of Price Administration for milk packed for domestic consumption. The purchase program is to continue until further notice.

In addition to the offered price the FSCC will pay the vendor for actual additional costs of export packaging and strapping up to applicable amounts specified in the offer form. The amount covering these costs is not to be included in the offered price, but added at the time of vouchering.

Miscellaneous Canned Fish Offers Requested by FSCC

The Food Distribution Administration announced on June 22 that it plans purchases, through the Federal Surplus Commodities Corporation, of miscellaneous canned fish, and that offers for the sale of such fish may now be submitted. Canned river herring, and those species of fish to be delivered to government agencies under Food Distribution Order No. 44 (the canned fish reservation order), should not be offered, it was stated.

Until further notice, offers may be submitted so as to be received by the Fish Products Division, Special Commodities Branch, Food Distribution Administration, Washington 25, D. C., on or before 11 a. m. Eastern War Time on the second and fourth Tuesdays of each month, for acceptance in whole or in part, by telegram filed at Washington not later than midnight on the Friday succeeding such dates.

FDA also has announced that it will purchase supplies of canned ground fish through FSCC, and is now receiving offers. The species of fish to be used in this product shall be edible fish that are not otherwise being processed. Offers must be made on or before 11 a. m. Eastern War Time on Monday of each week for acceptance on or before the succeeding Thursday.

DEBATE ON SUBSIDIES

(Concluded from page 7733)

tion culminated Friday night in a 10-hour session at which the House passed the bill appropriating funds for government war agencies, including the Office of Price Administration, with amendments which—

1. Reduce the appropriation for the OPA from the \$165,000,000 recommended by the Appropriations Committee to \$130,000,000.

2. Ban the payment of salaries or expenses for any OPA employees involved in a subsidy program.

3. Forbid OPA to use any of the funds for rollbacks on foods which have not reached parity prices or on non-necessary commodities.

4. Require all OPA officials formulating price policies, except Administrator Brown, to have at least five years of actual business experience in the particular field to which the price policy applies.

5. Forbid the use of any funds for the promulgation or enforcement of orders requiring grade labeling or standardization of food products, wearing apparel, or other processed or manufactured commodities or articles.

6. Make amendments to the bill restating the limitations on the establishment of price ceilings on agricultural commodities contained in the original Act and the amendments of October 2, 1942.

The House also amended the proposed appropriation for the Office of War Information by denying funds for its domestic branch.

Action on this bill is yet to be taken.

Tuna Cannery Urged by WFA To Use Soybean Oil for Pack

The War Food Administration has suggested that tuna cannery make immediate arrangements to use soybean oil instead of cottonseed oil for their product, and that the tuna canning industry institute experiments to ascertain whether it is possible to can tuna without the use of any oil.

These suggestions were made June 21 after the Food Distribution Administration had been informed by the Fats and Oils Branch of WFA that a definite shortage of cottonseed oil exists and that it is doubtful if sufficient quantities of this type of oil will be available until after the war.

Correction

Through a typographical error, "42" glass was reported in the table presenting the detail of the 1942 pimiento pack. This should have read "72" glass.

Sales Prices for Puerto Rico, Virgin Islands Are Unchanged

The Department of the Interior, the Food Distribution Administration and the Office of Price Administration announced jointly June 21 that the sales prices of foodstuffs imported by the Food Distribution Administration in Puerto Rico and the Virgin Islands will remain the same for the quarter beginning July 1 as for the present quarter.

B. W. Thoron, Director of the Division of Territories and Island Possessions, reported to Secretary of the Interior Harold L. Ickes that the inventory position on basic foodstuffs in Puerto Rico and the Virgin Islands is excellent and that after a careful check with FDA and OPA it has been found possible to maintain the federally stabilized consumer prices for the coming quarter.

Under the emergency supply system, the Department of the Interior buys food for Puerto Rico and the Virgin Islands from a \$15,000,000 revolving fund appropriated by Congress, and FDA acts as its purchasing agent. Cargo space for shipment is obtained from the War Shipping Administration. Prices are fixed by OPA and even distribution encouraged by supplemental measures.

Cucumber Acreage Reduced

The preliminary estimate of the 1943 acreage planted to cucumbers for pickles is 90,350 acres. This compares with 126,500 acres planted in 1942 and with the 10-year (1932-41) average of 89,670 acres.

The acreage planted to cucumbers for pickles was reduced from 1942 levels in all important States. Illinois, Iowa, Missouri, Louisiana, and Texas showed the most reduction in the acreage planted for 1943.

RATION POINT PRICING

Values Are Assessed to Encourage the Purchase of Larger Size Cans

Many canners have asked why the Food Rationing Branch does not adjust its point values to encourage the movement of the larger can sizes. Each consumer, having only 48 points to spend for canned foods during each ration period (about 1 month), has little opportunity to buy a variety of canned fruits and vegetables, unless she confines her purchases to small cans. It has been pointed out, for example, that the purchase of a No. 2½ can of some of the fruits would take more than half the month's allotment of points.

Point pricing of canned foods on a

per pound basis for all can sizes—the original policy of the Food Rationing Branch—requires the consumer to give up the same number of points per pound of food regardless of the size can she chooses to purchase. Since the consumer's tendency is to buy small cans to obtain variety, it would follow that the supply of the small sizes would move out first, leaving only the larger sizes on retailers' shelves. If canners were free to pack unlimited quantities in the small can sizes, and if the relative point values for the different can sizes were known before the packs were put up, the canner would be in a position to pack more of the sizes consumers would desire to buy.

Tin and steel conservation limits, and, in fact, prohibits, the packing of most small sizes, and encourages in every way possible the use of larger cans for packing. It seems reasonable, therefore, that the Rationing Program should be coordinated with the tin and steel conservation program, and that point values be determined more nearly in relation to the relative number of the different can sizes that go to make up the total civilian supply of each canned fruit and vegetable. The Food Rationing Branch has recognized this problem and has assessed point values for most of the canned fruit and vegetable items that are now rationed, on a basis that will tend to encourage the purchase of larger cans. The accompanying table shows the approximate point price per ounce of food for five of the principal can sizes, for a number of the canned fruits, vegetables and juices.

The first column shows the rationed product.

The second column of the table shows the point value per ounce as listed in the Official Table of Point Values for Processed Foods (No. 4) that became effective June 6, 1943.

The remaining five columns give the

approximate point values per ounce of the net contents of the can sizes listed.

It will be noted from these figures that the point value per ounce tends to decline as the cans become larger. In the case of apricots and fruit cocktail, for example, the point value per ounce in No. 10 cans is 82 per cent of the value in 8Z cans. The point value per ounce listed for the purpose of calculating point values of odd sizes (the figure appearing in the second column) is the same as the value in No. 10 cans. It will be noted that for most of the fruits and vegetables, the point value listed for the purpose of calculating the value of odd sizes is very close to the per ounce point value in No. 10 cans. Thus, the per ounce point value of cans smaller than No. 10 is in most instances higher than the official listing of point values on a per pound or ounce basis.

The pattern used to assess lower point values for the larger cans is about the same for all of the products listed in this table. There are, however, a few deviations from this pattern. For example, corn and spinach have point values of .60 and .77, respectively, in 8Z cans. In No. 10 cans, however, corn is .63 with spinach at .57. Peas and tomatoes have the same point values for all can sizes except No. 10's where tomatoes are .60 with peas at .71.

These differences suggest that the problem of assessing point values that will move the various can sizes uniformly cannot be solved satisfactorily by a formula that reduces point values of all No. 10's to a given percentage of some smaller size. Point values must be determined for each can size after taking into account the available supply or pack of that can size, in relation to all other sizes, and adjusted from time to time, as the consumer's response is evidenced by the volume of each can size moving into consuming channels.

This multiplies the problem of calculating the point values, but the Food Rationing Branch appreciates the necessity for making such calculations.

SALMON OFFER OF SALES

Discounts Lowered in Fish Transactions Through WFA Modification of Forms

The War Food Administration has modified Section 2 of its "Offer of Sale Forms" for canned salmon, so that, effective June 23, it reads:

"(a) The ceiling price established by the Office of Price Administration and applicable to sales by us which is in effect on the date of delivery shall prevail for the appropriate species, can size, pack and grade, less one-tenth of one (1/10%) per cent of such ceiling price to cover normal swell allowance. Provided that if, on the date of actual delivery by us of any part of the fish to be delivered hereunder, there is in effect a ceiling price established by the Office of Price Administration and applicable to sales of fish to Governmental Agencies, such ceiling price applicable to sales to Governmental Agencies shall prevail with respect to the quantity of fish so delivered.

"A discount of one and one-half (1½%) per cent of the total amount of each claim, prior to deduction of one-tenth of one (1/10%) per cent swell allowance, shall be deducted by the FSCC for payment by check dated within ten (10) days from the date of receipt by the designated Regional Fiscal Office of the FSCC of properly executed and documented claim."

The original offer of sale provided that the price shall be—

"(a) The ceiling price established by Office of Price Administration and applicable to sales by us which is in effect on the date of delivery for the appropriate species, can size, pack and grade, less four (4%) per cent of such ceiling price, provided that if, on the date of actual delivery by us of any part of the fish to be delivered hereunder, there is in effect a ceiling price established by Office of Price Administration and applicable to sales of canned salmon to Government Agencies, such ceiling price applicable to sales to Government Agencies shall prevail with respect to the quantity of canned salmon so delivered but deduction of four (4%) per cent shall not be made."

The effect of the revision is to eliminate the deduction for brokerage and to limit the deduction for cash discount to offers paid for within 10 days.

Corresponding revisions were made in the "Offers of Sale" for canned shrimp and mackerel. For each of these products the deduction for swell allowance is one-quarter of one per cent of the ceiling price, and the deduction for payment within 10 days is 1½ per cent.

Canned product	Can Sizes not listed*	8Z	No. 2	No. 2½	3 Cyl.	No. 10
FRUITS:						
Apricots.....	.75	.91	.90	.83	.74	.75
Cherries, red sour.....	.625	....	.74	.75	....	.66
Cherries, others.....	.562	.69	.67	.63	....	.55
Fruit cocktail.....	.75	.91	.90	.83	.74	.75
Peaches.....	.625	.80	.80	.70	.63	.62
Pears.....	.375	.59	.50	.45	.37	.37
Pineapple.....	1.00	1.17	1.15	1.13	1.02	1.00
VEGETABLES:						
Asparagus.....	.625	.73	.74	.75	.61	.63
Beans, green.....	.625	....	.74	.75	.61	.63
Corn.....	.625	.69	.70	.70	.61	.63
Peas.....	.688	.82	.80	.80	.74	.71
Spinach.....	.562	.77	....	.70	.57	.57
Tomatoes.....	.688	.85	.84	.80	.74	.70
JUICES:						
Grapefruit.....	.125	....	.17	....	.09	.09
Tomato.....	.125	.25	.17	.12	.09	.09
Pineapple.....	.50	.80	.67	.65	.48	.49

*The point value of any can size not included in the official OPA table is to be calculated by multiplying the net contents in ounces by the appropriate figure in this column.